so. Shri Swaraj Kaushal has given the suggestions in great detail. If any Member has any more suggestions to make, he may give it in writing so that the Minister can consider all those suggestions, and make the necessary amendments.

THE IRON AND STEEL COMPANIES (AMALGAMATION AND TAKEOVER LAWS) REPEAL BILL, 2000

THE DEPUTY CHAIRMAN: Now, we will take up the Iron and Steel Companies (Amalgamation and Takeover Laws) Repeal Bill.

SHRI JIBON ROY (West Bengal): Madam, before we take up the Bill, I have a small submission to make.

THE DEPUTY CHAIRMAN: Are you objecting to the repeal?

SHRI JIBON ROY: No. I will come to my objection later.

THE DEPUTY CHAIRMAN: Just a minute. I cannot allow you now. It is a matter of procedure. I feel that we should go to the Bill.

SHRI JIBON ROY: The matter is *sub judice.*

THE DEPUTY CHAIRMAN: Which matter?

SHRI JIBON ROY: The matter of iron and steel companies. That is why I wanted to draw your attention before we take it up.

THE DEPUTY CHAIRMAN: That is exactly what I am asking of you. Under which rule or under which provision are you speaking? Are you saying that this Bill should not be repealed? Then, I will consider it that way. Are you going to talk on the subject matter of the Bill? Then, you are pre-empting your speech. The Minister has to move the Bill. Your name is on the list. If you like, you can make your suggestions at that point of time.

SHRI JIBON ROY: The point is that the subject matter of the Bill is *sub judice.* If your ruling is to discuss it, we can discuss it.

THE DEPUTY CHAIRMAN: No, no, this is not a ruling. I am mentioning only the procedure because the Secretariat writes it down. We have to know what you spoke, what for you spoke and how and under

which rule or under which provision you spoke. Are you objecting to the repeal of the Bill?

SHRI JIBON ROY: Under Rule 238 of the Rules of Procedure of the House, we cannot discuss any matter that is *sub judice*.

THE DEPUTY CHAIRMAN: Agreed. Now you are coming to the correct procedure. Let me ask of the Minister whether the matter is *sub judice*.

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): No, it is not *sub judice*.

SHRI JIBON ROY: Let me make my point.

THE DEPUTY CHAIRMAN: Okay, make it.

SHRI JIBON ROY: The Indian Iron and Steel Company has been referred to the Board of Industrial Finance and Reconstruction.

THE DEPUTY CHAIRMAN: If it is before the BIFR, the matter is not *sub judice*.

SHRI JIBON JOY: It is under section 14 of the SICA.

THE DEPUTY CHAIRMAN: You are not making any charge under rule 238. You are saying that it is *sub judice*. In which court is the Bill pending?

SHRI JIBON ROY: It is pending before the BIFR. According to section 14 of the SICA, if a company has been referred to the BIFR, the appellate authority shall be deemed to be a civil court for the purpose of section 109 and Chapter 26 of the Civil Procedure Code of 1973, and every proceeding before a board or an appellate authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 238 and for the purpose of section 196 of the Indian Penal Code. Therefore, the BIFR is deemed to be a civil court. No doubt, the appellate authority is a Central appellate authority; then comes the High Court and then the Supreme Court, and every coma and fullstop concerning it is with the BIFR. If you give a ruling that we can discuss it, I have no objection.

THE DEPUTY CHAIRMAN: I am not giving a ruling. At the moment, I am just trying to explain why any matter is considered *sub judice*. The reason is that a discussion of the matter in the House may affect the working and the decision of the court. So, we do not discuss a

matter that is before a court. In any case, for that matter, the BIFR does not come under the same category as the High Court or the Supreme Court or a lower court. The Government would have examined the matter. Let the Minister answer this. It is for him to say whether this comes under it or not. I am talking with my very limited knowledge about law.

SHRI BRAJ KISHORE TRIPATHY: Madam, this Bill is in no way connected with the BIFR.

THE DEPUTY CHAIRMAN: This is the Iron and Steel Companies (Amalgamation and Takeover Laws) Repeal Bill, 2000. It does not come under the BIFR.

SHRI JIBON ROY: I don't understand the law, but I do feel that the company is under the BIFR.

SHRI BRAJ KISHORE TRIPATHY: Madam, the Company is still in existence. It is a national Company. There is no difficulty for the company. *(Interruptions)...*

Madam, I beg to move:

> "That the Bill to repeal the Iron and Steel Companies Amalgamation Act, 1952 and the Indian Iron Steel Company (Taking Over of Management) Act, 1972, as passed by Lok Sabha, be taken into consideration."

The question was proposed.

THE DEPUTY CHAIRMAN: There is one amendment by Mr. Jibon Roy for reference of the Iron and Steel Companies (Amalgamation and Takeover Laws) Repeal Bill, 2000 to a select Committee of the Rajya Sabha. The Member may move his amendment at this stage.

SHRI JIBON ROY: Madam, I feel that both the Bills are substantive Bills. If the hon. Minister makes out that these two Bills are not substantive Bills and will not affect the 1976 and the 1978 Bills, I will not move my amendment. But let him assure me on this count.

THE DEPUTY CHAIRMAN: Either you move or your do not move. There is no other way.

SHRI JIBON ROY: All right. I am not moving my amendment.

SHRI PRANAB MUKHERJEE (West Bengal): Madam, as per my understanding, it is an innocuous Bill because the two Acts are sought to be repealed. Actually, the two Acts -- the Iron and Steel Companies Amalgamation Act, 1952 and the Indian Iron Steel Company (Taking Over of Management) Act, 1972 -- have become infructuous and non-operative after the passage of the Nationalisation Act in 1976. The effect of amalgamation and thereafter take-over by the 1972 Act, with the passage of the Nationalisation Act in 1976, is that the ownership of this Company has been passed on to the Government of India. If I remember correctly, there has been another Act of 1978 which changed the status of this Company and made it a subsidiary to the State. What is practically agitating the mind of some of the hon. Members is whether the passage of this repealing Act would affect the other two substantive Acts in any way. To my mind it is not the case. But I would like the hon. Minister to clarify the position. What is more important and what is agitating the mind of the Members is that though it is outside the purview of the Bill and we are not going to discuss it, is the future of this company. How are we going to deal with it? It is with the BIFR. The custodian has been appointed. A number of reports are available, but surely, as these are outside the purview of the consideration of the current Bill, I would not like to go into that aspect. I would like to have only one, limited, clarification from the hon. Minister. As Mr. Jibon Roy has pointed out, so long as the 1976 Act continues, I think it is not denationalisation, by merely repealing the Iron and Steel Companies Amalgamation Act, 1952 and the Indian Iron Steel Company (Taking Over of Management) Act, 1972. Many other legal lumineries like Mr. Kaushal and Mr. Salve are here. They can throw some light on it, if they want to do so.

SHRI N.K.P. SALVE: Madam, I want to endorse every word spoken by Mr.Mukherjee. After the 1976 Act of nationalisation, the earlier two Acts referred to in the Bill automatically stand superseded. They are dead letters. Therefore, their repeal does not affect at all, so far as nationalisation is concerned. So far as BIFR is concerned, they would have nothing to do with these two enactments. Apart from anything else, whether it is a court or not, the *sub judice* plea could only be in respect of matters related to the 1976 law which is not covered at all by this repeal. Therefore, I fully support what hon. Shri Pranab Mukherjee has said. I think the other issue that he has raised relates to the company itself. That, the Minister may clarify. Thank you.

THE DEPUTY CHAIRMAN: Shri Lalitbbai Mehta.

SHRI LALITBHAI MEHTA (Gujarat): Madam, I support the Bill.

THE DEPUTY CHAIRMAN: All right. Now, Mr. Jibon Roy. He will clarify what he is really worried about.

SHRI JIBON ROY (West Bengal): Madam, I go by the opinion of the legal luminaries and your ruling. But, we are getting concerned because my house is there. I belong to that area of Burdwan district. My leader, Pranab babu, is not far away from that area. These are in between. The district that I belong to was industrialised after the Partition to compensate Bengal which was suffering from the agony of Partition. It was there. Financial reconstruction was made in Burdwan district. Now, most of the plants are being closed. A few days back, one factory was declared a close. This IISCO factory is hanging fire for the last 10 years. Though Pranabda has said that the 1976 and 1978 Acts still remain, they have issued an advertisement in the Press. That appeared on 19th April, 2000 in all the newspapers in India. And they have called for the disinvestment of the company. Two issues are involved. One is modernisation which is the main thing. If you go through the advertisement, you will not find a single word about modernisation. Not a single word about modernisation is there. You are disinvesting. You have already given the circular, advertisement. When the company is before the BIFR and the 1976 and 1978 Acts still remain, how can you go for an advertisement for disinvestment? The IISCO is not like other companies. The IISCO has been nationalised under an enactment of this House. Without annulling those Acts, you cannot go for advertisement. That is point No.1.

Point No.2 is, your Government is committed, successive Governments were committed, for the modernisation of the Plant. But, not a single word about modernisation is there. A suspicion arises because the 1952 Act has amalgamated many Acts and if it is withdrawn, they will be split. This advertisement has created the suspicion whether they are going to sell it by bits and pieces. You have heard yesterday's speeches. Many of your Ministers, legal luminaries, were taking care of industries. Probably, they do not understand the financial or industrial implications of the words they use. So far as the IISCO is concerned, we have taken over by paying only Rs.337 crores. That is the book value of the shares! The hon. Minister was so eloquent yesterday. The book value of IISCO is Rs.337 crores. The capital employed is more than Rs.2000 crores. The real price

of the factory is around Rs.l,00,000 crores. Three things are there--the share value, the capital employed and the real assets of the company. According to this advertisement, one mine, the Chiria mine, is having a deposit of two billion metric ton of iron ore. Therefore, you should have taken this House into confidence when you issued this advertisement. But you had not taken this House into confidence, though we have passed the Bill, the 1976 Nationalisation Bill, and 1978 Bill making it a subsidiary of the SAIL. Can you go in for such advertisements? Therefore, we want to know as to what you are doing for the modernisation of that factory. I would like to bring one thing to the notice of the House. The factory located in this area is not like any other factory in the public sector. It was industrialised, to reconstruct the economy of Bengal after partition. They cannot go in that way, and no Government can go in that way. One by one, factories are being closed by Government itself and this notice is just a closure notice. Before this advertisement was served, the IISCO was under discussion with the Chinese Government. The negotiations went on at the highest level. They were interested in buying our iron ore. The IISCO is having three very big iron ore mines and China was having the technology to develop factories like IISCO, with lowest capital investment. I am not interested in China or anybody else. Keep 51 per cent shares with the Government and give 49 per cent shares to others and modernise it. If you want to scrap these Acts, you scrap them. I don't come in the way. But you keep the sanctity of the 1976 Act and the 1978 Act. Therefore, my request to the Minister is, you give an assurance as to when you are going to modernise it. If you are to repeal any Act, you are to repeal the 1978 Act. I am very closely connected with the steel industry. The day you segregate IISCO from SAIL, give them autonomy. They do not require a farthing for modernisation . They have three mines. They have a number of coal mines and a huge land on GT road. The IISCO is connected by two railways, the South Eastern Railways and the Eastern Railways. So, IISCO is in the heart of the iron ore mines and coal mines; the best located factory in India. If you repeal the 1978 Act and give full autonomy to the IISCO Board, with an excellent Board of Directors, you give them Rs. 200 crores and they will revive that. That is all.

SHRI N.THALAVAI SUNDARAM (Tamil Nadu): Madam, I would like to seek one small clarification from the Minister regarding the Salem Steel Plant. ...*(Interruptions)*...

THE DEPUTY CHAIRMAN: Mr. Sundaram, your mike is not working. You better come to the front row.

श्री संघ प्रिय गौतम : माइक तो काम ही नहीं करते हैं।

उपसभापति : अप लोग इतना जोर से बोलते हैं कि माइक बेचारे परेशान होकर बंद हो जाते हैं।

SHRI N. THALAVAI SUNDARAM: Madam, my learned friend, Shri V.P. Duraisamy, had put a specific question regarding the privatisation of the Salem Steel Plant. What was the answer which was given by the Minister? The answer given was: "The financial and business restructuring package for Steel Authority of India Limited that has been approved by the Government includes, *inter alia*, conversion of the Salem Steel Plant into a joint venture, while protecting the jobs of existing employees. The Salem Steel Plant has incurred a loss of Rs. 180 crores during 1998-99 and Rs. 122 crores during April-December, 1999. The interest burden was Rs. 123 crores during 1998-99 and Rs. 80 crores during April-December, 1999. As such, even without consideration of interest, the SSP has been incurring losses. Waiver of interest amount alone will not lead to the revival of the Salem Steel Plant." A number of employees are working in the Salem Steel Plant. Yesterday, when we were discussing the disinvestment policy in this House, the same reply which was given in the Lok Sabha, was given in this House. It was said that SAIL has been exploring the possibility of a joint venture for the SSP through which steel-making and slab-casting facilities can also be made available to it because the SSP has been incurring losses continuously.

> "Addition to these facilities would need substantial investments. However, due to financial constraints, SAIL is unable to fund the large investment requirements of SSP."

"(c) and (d): M/s. JM. Morgan Stanley Ltd. (JMMS) have been appointed as Financial Advisor for restructuring of Salem Steel Plant."

This was the answer given by the Minister in the Lok Sabha. I would like to know from the hon. Minister what the position is, as far as the Salem Steel Plant is concerned.

SHRI SHANKAR ROY CHOWDHURY (West Bengal) : Madam Chairperson, Members from West Bengal are naturally concerned about the repeal of this Bill though we are aware that these really are outdated in

view of the other two Bills which the hon. Pranab Mukherjee has mentioned.

My questions basically pertain to the issues which have been raised by my other colleagues earlier. First is about the modernisation of Indian Iron & Steel Company. Yesterday, during the debate on disinvestment, the hon. Minister mentioned that there was a reconstruction package for SAIL. Indian Iron and Steel Company is a subsidiary of SAIL. Does the modernisation or reconstruction programme include the Indian Iron and Steel Company?

Secondly, one of the Acts sought to be repealed, *i.e.* the 1972 Act, was passed with the assurance that the Government of that time would modernise the plant. Mr. Jibon Roy has shown that advertisement. If the intention is not to modernise the plant, but to dispose of it, without modernisation, I would submit for your consideration, for the consideration of the House and for the consideration of the Government that this would, indeed, be a major breach of faith on the part of the Government.

SHRI BRAJ KISHORE TRIPATHY : Madam Deputy Chairman, I am grateful to the hon. Members who have raised here many valuable points. They will be helpful to the Ministry in its future action programme.

Before replying to the specific points raised by the Members of Parliament, I would like to give some background to the repeal of these two laws.

The Department of Administrative Reforms had set up a Commission under the chairmanship of Shri P.C. Jain, in May, 1998, to review the laws and regulations, identifying proposals for amendments to the existing laws and to make recommendations for repeal/amendment of the laws.

The Commission has identified certain laws which are no longer relevant and, therefore, can be repealed. For the steel sector, the laws identified are:

(1) The Iron & Steel Company (Taking over of Management) Act, 1972.

(2) The Iron & Steel Companies (Amalgamation) Act, 1952.

The Iron and Steel Companies (Amalgamation) Act, 1952 (Act No.79 of 1952) was enacted to amalgamate the Indian Iron & Steel Company Limited with the Steel Corporation of Bengal on the recommendation of the Tariff

Board and the Tariff Commission. In the initial years, after independence, when a serious shortage of steel was hampering the nation-building activities, it became imperative to eliminate duplication and waste and, ultimately, reduce the cost of production of steel. For this purpose, it was thought fit that the Steel Corporation of Bengal Limited, which had its works at Kulti, District Burdwan, West Bengal and the Indian Iron and Steel Company Limited, Burnpur, District Burdwan, West Bengal, both of which were engaged in the manufacture and production of iron and steel, should be amalgamated. The amalgamation was thought necessary to give effect to the schemes of the Central Government for expansion of the iron and steel industry and to make resources available for such expansion.

The Act has now served its purpose, and no action might have been left over, which has to be undertaken under or in accordance with the provisions of the said Act. It is, therefore, no more necessary to retain this Act on the Statute Book.

Secondly, in accordance with the previsions of the Indian Iron and Steel Company (Taking over of Management) Act, 1972 the management of Indian Iron and Steel Company was taken over initially for a period of two years, w.e.f. 14.7.1972, to secure its proper management. The period was extended for five years to complete restructuring and to streamline the administrative set-up of the Company. The said period of five years expired on 15th July, 1977. Consequently, the Act is no longer operative. Subsequently, the Indian Iron and Steel Company (Acquisition of Shares) Act, 1976 was passed and the company was completely nationalised. In 1978, IISCO became a subsidiary of SAIL under the Public Sector Iron and Steel Copmpanies (Restructuring) and Miscellaneous Act of 1978. Thus, the Act, having served its purpose, is no longer operative and can be removed from the Statute book.

As I have explained, I again state that these Acts have no relevance now and are in no way connected with the restructuring of SAIL or with the proposed conversion of IISCO into a joint venture, which is under the consideration of the Government.

Madam, these two Acts are completely redundant now and they are no more operative. Hence, I request the hon. Members to support the passage of this Bill.

Madam, the hon. Member, Shri Jibon Roy, has raised some valuable points. Regarding the restructuring of IISCO, he has some

suspicion in his mind in relation to the advertisement which was given for the joint venture. The advertisement has sought the requisite expertise and resources for an active and viable operation of IISCO. This means modernisation of IISCO. The requisite expertise and resources are necessary for the modernisation of IISCO. I assure the House that the joint venture is really for the modernisation of IISCO.

Madam, so far as the modernisation scheme of IISCO is concerned, it is well known to the hon. Members of the House that IISCO is a 100 per cent subsidiary of SAIL and since 1994, it is under the purview of BIFR. It is proposed to look for a suitable party to form a joint venture company. So, the initiative should be taken by the BIFR to seek a joint venture company.

In 1993-94, a proposal from M/s. Mukund Ltd. was examined, in the context of private participation in the modernisation of IISCO. So, this Government is in the process of investing money for modernisation of IISCO. Some parties were interested in participating in the joint venture. M/s. Mukund Ltd. was initially interested. But, subsequently, it did not fructify because M/s. Mukand Ltd. was not interested in investing money.

In 1996, in response to the global tender floated by SAIL, inviting joint venture particpation, M/s. TPE of Russia and M/s. Mitsui of Japan submitted their offers. However, Mitsui withdrew their offer, leaving only the offer of M/s.TPE. Now, M/s. TPE have submitted a revised proposal. The proposal of M/s.TPE depends on the concurrence of the Russian Government to the use of rupee debt funds in the escrow account for the project. BIFR has appointed IDBI as the operating agency for the revival of IISCO.

In the meanwhile, while approving the financial and business restructuring package of SAIL, Government has also approved conversion of IISCO into a joint venture. As per the MoU signed on 13.3.2000 between the Ministry of Steel and Steel Authority of India Limited, the formation of a joint venture has been targeted for the revival of IISCO by June, 2001. The target of the Government is to make it a viable alternative unit and a modern industry.

श्री जीवन राय : आपने नया चॉर्ज लिया है इसलिए मैं आपसे ज्यादा अर्ज़ नहीं करूंगा। ...(व्यवधान)...

SHRI BRAJ KISHORE TRIPATHY: Let me complete. The IDBI which is also an operating agency for IISCO's revival has been appointed as the merchant banker and an advertisement has been published in the newspapers inviting expression of interest. So the advertisement is only for the interested parties. The Government has not decided anything so far. We are just now looking for the interested parties who want to invest money.

THE DEPUTY CHAIRMAN: Now Shri Jibon Roy can put his queries.

श्री संघ प्रिय गौतम : अब तो वह संतुष्ट हो गए होंगे।

THE DEPUTY CHAIRMAN: The advertisement is to get people to buy or invest..*(interruptions)*...

SHRI BRAJ KISHORE TRIPATHY: That will only be considered after assessing the value of the company. The Government..*(Interruptions)*...

श्री जीवन राय : मैडम, एक बात है ...**(व्यवधान)**... मंत्री महोदय, वैल्यू असैस कीजिए, नहीं कीजिए, मैं इन झगड़ों में अभी नहीं जाना चाहता हूं। हम मॉडर्नाइज़ेशन चाहते हैं। हम लीगल बात इसमें नहीं उठायेंगे। बात ऐसी है जो उन्होंने आपको लिख कर दी है डेंजरस वर्ड वायबिलिटी एंड डिसइन्वेस्टमेंट, एडवर्टाइज़मेंट में भी है डिसइन्वेस्टमेंट, 336 करोड़ का मिलेगा डेढ़ सौ करोड़ और 150 करोड़ में जो बनाने वाले हैं उनको जो लिख कर दिया है वाएबल तो 200 करोड़ में होगा। इसलिए ज्वायंट वेंचर की क्या जरूरत है। उसमें थोड़ा-बहुत इधर-उधर लग. दीजिएगा तो प्रॉफिट बना लेंगे। मॉडर्नाइज़ेशन इज़ रेक्वायर्ड। आपके आफिसर की जो सोच में है वाएबिलिटी Viability can be made after investing Rs. 100 crores. But it is a temporary viability. A talk is going on for modernisation and development. आप मेहरबानी करके यहां पर थोड़ी सी एक एशोरेंस कर दीजिए कि अरलियस्ट मॉडर्नाइज़ेशन करेंगे। A joint venture for running a plant in the..*(Interruptions)*...

SHRI BRAJ KISHORE TRIPATHY: Madam, joint venture is only for modernisation. I have already assured the House that the joint venture is only for the purpose of modernisation.

THE DEPUTY CHAIRMAN: What the Minister has said is, you need money for modernisation. As the company is running at a loss, there is need for resources. They are giving an advertisement for getting offers for modernisation and joint venture. Or you can put it the other way round - a joint venture for modernisation.

श्री जीवन राय : ऐसा नहीं है, मैडम, उन्होंने जो एडवर्टाइज़मेंट दिया उसमें उन्होंने कहा कि जिसका 500 करोड़ रुपया है वही खरीद ले और फैक्टरी का भाव जो एक लाख करोड़ है तो 500 करोड़ वाले क्या मॉडर्नाइज़ करेंगे? How can I accept his assurance.

SHRI BRAJ KISHORE TRIPATHY: Therefore, I request the hon. Members to pass this Bill.

THE DEPUTY CHAIRMAN: When they try to sell it, they will have to come to Parliament. At that time, you can discuss it. Let us repeal the Bill.

श्री दीपांकर मुखर्जी : मैडम ...**(व्यवधान)**... पार्लियामेंट के पास नहीं आया। ...**(व्यवधान)**...

उपसभापति : कल तो आपके पास आया था। ...**(व्यवधान)**...

THE DEPUTY CHAIRMAN: I shall put the motion moved by Shri Braj Kishore Tripathy to vote. The question is :

> "That the Bill to repeal the Iron and Steel Companies Amalgamation Act, 1952 and the Indian Iron Steel Company (Taking Over of Management) Act, 1972 as passed by Lok Sabha, be taken into consideration."

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI BRAJ KISHORE TRIPATHY: Madam, I move:

"That the Bill be passed."

The question was put and the motion was adopted.

THE MOTOR VEHICLES (AMENDMENT) BILL, 2000

THE DEPUTY CHAIRMAN: Now we will take up the Motor Vehicles (Amendment) Bill, 2000.